

## OIL AND GAS LEASE SALE APPROVAL

The Department of Natural Resources and Conservation held an oil and gas lease sale on September 1, 2009, in the Auditorium at the Department of Transportation building. A total of 182 tracts were offered for lease. One hundred eighty-two tracts were leased for a total of \$464,335.99. The 182 tracts that were sold covered a total of 76,351.03 acres. The average bid per acre was \$6.08.

The high competitive bid for the September 1st lease sale was \$83.00 per acre for Tract 137 in Rosebud County. The largest total bid was \$32,000.00 for Tract 167 in Toole County.

The Director requests Land Board approval to issue the leases from the September 1, 2009 sale.

**Grants:**

Common Schools  
MSU Morrill (ACI)  
Public Buildings

**Counties:**

Big Horn  
Carbon  
Cascade  
Chouteau  
Daniels  
Dawson  
Hill  
Lewis and Clark  
Richland  
Rosebud  
Sheridan  
Stillwater  
Teton  
Toole  
Wibaux

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, 9:00 am, September 1, 2009

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
<b>Big Horn</b>									
1	1, 2, 3, 4, 5, 6	8.S	42.E	16	NE4NE4	40.00	\$2.50	\$100.00	PINNACLE GAS RESOURCES, INC.
2	1, 2, 3, 4, 5, 6	8.S	43.E	3	Lots 1, 3	80.51	\$1.50	\$120.77	PINNACLE GAS RESOURCES, INC.
3	1, 2, 3, 4, 5, 6	8.S	43.E	18	N2NE4	80.00	\$1.50	\$120.00	PINNACLE GAS RESOURCES, INC.
4	1, 2, 3, 4, 5, 6	8.S	43.E	21	S2SE4	80.00	\$1.50	\$120.00	PINNACLE GAS RESOURCES, INC.
5	1, 2, 3, 4, 5, 6	8.S	43.E	22	N2, N2SE4, NE4SW4	440.00	\$1.75	\$770.00	HARVEY MINERALS, LP
6	1, 2, 3, 4, 5, 6	8.S	43.E	23	All	640.00	\$1.75	\$1,120.00	HARVEY MINERALS, LP
7	1, 2, 3, 4, 5, 6, 7	8.S	43.E	28	E2E2	160.00	\$1.75	\$280.00	HARVEY MINERALS, LP
8	1, 2, 3, 4, 5, 6	8.S	43.E	33	NW4SE4	40.00	\$2.50	\$100.00	PINNACLE GAS RESOURCES, INC.
9	1, 2, 3, 4, 5, 6, 7	8.S	43.E	34	N2, SE4, N2SW4, SE4SW4	600.00	\$1.75	\$1,050.00	HARVEY MINERALS, LP
<b>Carbon</b>									
10	2, 3, 4, 5, 6, 14	5.S	24.E	36	Lot 1, N2, N2SE4, SW4SE4, SW4	635.92	\$1.75	\$1,112.86	LONGSHOT OIL LLC
<b>Cascade</b>									
11	1, 2, 3, 4, 5, 6, 7	18.N	3.W	2	Lots 1, 2, SE4NW4, S2NE4, SE4, NE4SW4, S2SW4	496.80	\$1.75	\$869.40	HEMUS, LTD.
12	1, 2, 3, 4, 5, 6, 7	18.N	3.W	16	All	640.00	\$1.75	\$1,120.00	HEMUS, LTD.
13	1, 2, 3, 4, 5, 6	19.N	2.W	8	N2N2	160.00	\$1.75	\$280.00	HEMUS, LTD.
14	1, 2, 3, 4, 5, 6	19.N	2.W	9	NW4NW4	40.00	\$2.75	\$110.00	HEMUS, LTD.
15	1, 2, 3, 4, 5, 6	19.N	2.W	16	All	640.00	\$1.75	\$1,120.00	HEMUS, LTD.
16	1, 2, 3, 4, 5, 6	19.N	2.W	19	N2SE4, SW4SE4	120.00	\$1.75	\$210.00	HEMUS, LTD.
17	1, 2, 3, 4, 5, 6	19.N	2.W	20	SE4NW4, N2N2	200.00	\$1.75	\$350.00	HEMUS, LTD.
18	1, 2, 3, 4, 5, 6	19.N	2.W	23	W2W2	160.00	\$1.75	\$280.00	HEMUS, LTD.
19	1, 2, 3, 4, 5, 6	19.N	2.W	26	NW4NW4, S2N2, SE4	360.00	\$1.75	\$630.00	HEMUS, LTD.
20	1, 2, 3, 4, 5, 6, 7	19.N	2.W	30	Lots 1, 2, 3, 4, SE4NW4, N2NE4, SW4NE4, SE4, E2SW4	535.20	\$1.75	\$936.60	HEMUS, LTD.
21	1, 2, 3, 4, 5, 6, 7	19.N	2.W	35	N2SE4, SE4SE4, NE4SW4	160.00	\$1.75	\$280.00	HEMUS, LTD.
22	1, 2, 3, 4, 5, 6	19.N	2.W	36	All	640.00	\$1.75	\$1,120.00	HEMUS, LTD.
23	1, 2, 3, 4, 5, 6	19.N	3.W	4	Lots 1, 2, 3, 4, S2N2, SW4	473.43	\$18.00	\$8,521.74	HEMUS, LTD.
24	1, 2, 3, 4, 5, 6	19.N	3.W	13	E2	320.00	\$1.75	\$560.00	HEMUS, LTD.
25	1, 2, 3, 4, 5, 6	19.N	3.W	16	All	640.00	\$19.50	\$12,480.00	HEMUS, LTD.
26	1, 2, 3, 4, 5, 6, 7	19.N	3.W	19	Lots 1, 2, 3, 4, E2W2, E2	503.58	\$1.75	\$881.26	HEMUS, LTD.
27	1, 2, 3, 4, 5, 6	19.N	3.W	24	NE4, S2	480.00	\$1.75	\$840.00	HEMUS, LTD.
28	1, 2, 3, 4, 5, 6	19.N	3.W	26	N2NW4, W2NE4	160.00	\$1.75	\$280.00	HEMUS, LTD.

Tract	Stip	Twp	Rge	Sec	Description		Acres	Bid \$/Acr	Total Price	Lessee
29	1, 2, 3, 4, 5, 6	19.N	3.W	27	NE4NE4	*	40.00	\$2.75	\$110.00	HEMUS, LTD.
30	1, 2, 3, 4, 5, 6, 7	19.N	3.W	28	N2	*	320.00	\$1.75	\$560.00	HEMUS, LTD.
31	1, 2, 3, 4, 5, 6	19.N	3.W	30	Lots 1, 2, 3, 4, E2		496.80	\$1.75	\$869.40	HEMUS, LTD.
32	1, 2, 3, 4, 5, 6	19.N	3.W	36	All	*	640.00	\$1.75	\$1,120.00	HEMUS, LTD.
33	1, 2, 3, 4, 5, 6, 7	20.N	2.W	16	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
34	1, 2, 3, 4, 5, 6, 13	20.N	2.W	36	All	*	640.00	\$1.75	\$1,120.00	HEMUS, LTD.
35	1, 2, 3, 4, 5, 6	20.N	3.W	16	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
36	1, 2, 3, 4, 5, 6	20.N	3.W	28	E2NE4, NE4SE4, S2S2		280.00	\$1.75	\$490.00	HEMUS, LTD.
37	1, 2, 3, 4, 5, 6	20.N	3.W	30	Lots 1, 2, 3, E2NW4, S2NE4, NW4SE4, NE4SW4		275.31	\$1.75	\$481.79	HEMUS, LTD.
38	1, 2, 3, 4, 5, 6	20.N	3.W	34	N2, N2SE4, SW4SE4, SW4		600.00	\$1.75	\$1,050.00	HEMUS, LTD.
39	1, 2, 3, 4, 5, 6, 7	20.N	3.W	36	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
<b>Chouteau</b>										
40	1, 2, 3, 4, 5, 6	26.N	15.E	35	E2	*	320.00	\$1.50	\$480.00	HANCOCK ENTERPRISES
41	1, 2, 3, 4, 5, 6	26.N	15.E	36	All	*	640.00	\$1.50	\$960.00	HANCOCK ENTERPRISES
<b>Daniels</b>										
42	1, 2, 3, 4, 5, 6	35.N	45.E	1	Lots 1, 2, 3, 4, S2N2, S2	*	640.40	\$1.50	\$960.60	HARVEY MINERALS, LP
43	1, 2, 3, 4, 5, 6	35.N	45.E	2	Lots 1, 2, 3, 4, S2N2, SE4	*	480.40	\$1.50	\$720.60	HARVEY MINERALS, LP
44	1, 2, 3, 4, 5, 6, 8	35.N	45.E	3	Lots 3, 4, S2NW4		160.00	\$5.25	\$840.00	HARVEY MINERALS, LP
45	1, 2, 3, 4, 5, 6, 8	35.N	45.E	10	NW4, S2	*	480.00	\$1.50	\$720.00	HARVEY MINERALS, LP
46	1, 2, 3, 4, 5, 6, 8	35.N	45.E	11	NE4, S2	*	480.00	\$1.50	\$720.00	HARVEY MINERALS, LP
47	1, 2, 3, 4, 5, 6, 8	35.N	45.E	12	All	*	640.00	\$1.50	\$960.00	HARVEY MINERALS, LP
48	1, 2, 3, 4, 5, 6, 8	35.N	45.E	13	NW4, S2	*	480.00	\$1.50	\$720.00	HARVEY MINERALS, LP
49	1, 2, 3, 4, 5, 6	35.N	45.E	14	S2	*	320.00	\$1.50	\$480.00	HARVEY MINERALS, LP
50	1, 2, 3, 4, 5, 6	35.N	45.E	23	NE4, N2SE4, SW4SE4	*	280.00	\$1.50	\$420.00	HARVEY MINERALS, LP
51	1, 2, 3, 4, 5, 6, 8	35.N	45.E	24	N2, SE4, N2SW4		560.00	\$1.50	\$840.00	HARVEY MINERALS, LP
52	1, 2, 3, 4, 5, 6, 8	35.N	45.E	25	E2, E2SW4		400.00	\$1.50	\$600.00	HARVEY MINERALS, LP
53	1, 2, 3, 4, 5, 6, 8	35.N	45.E	26	N2NW4, NW4NE4		120.00	\$5.25	\$630.00	HARVEY MINERALS, LP
54	1, 2, 3, 4, 5, 6	35.N	46.E	2	Lots 1, 2, 3, 4, S2N2, S2	*	640.08	\$6.50	\$4,160.52	HARVEY MINERALS, LP
55	1, 2, 3, 4, 5, 6	35.N	46.E	3	Lots 3, 4, S2NW4, S2		479.98	\$6.25	\$2,999.88	HARVEY MINERALS, LP
56	1, 2, 3, 4, 5, 6	35.N	46.E	4	Lots 1, 2, S2NE4, SE4, S2SW4		399.90	\$1.50	\$599.85	HARVEY MINERALS, LP
57	1, 2, 3, 4, 5, 6, 8	35.N	46.E	5	Lots 1, 2, 4, SW4NW4, SW4		319.76	\$1.50	\$479.64	HARVEY MINERALS, LP
58	1, 2, 3, 4, 5, 6, 8	35.N	46.E	6	Lots 1, 4, 5, S2NE4, SE4		350.98	\$1.50	\$526.47	HARVEY MINERALS, LP
59	1, 2, 3, 4, 5, 6	35.N	46.E	7	Lots 3, 4, E2, E2SW4		472.56	\$1.50	\$708.84	HARVEY MINERALS, LP

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
60	1, 2, 3, 4, 5, 6	35.N	46.E	8	All	640.00	\$1.50	\$960.00	HARVEY MINERALS, LP
61	1, 2, 3, 4, 5, 6	35.N	46.E	9	All	640.00	\$6.25	\$4,000.00	HARVEY MINERALS, LP
62	1, 2, 3, 4, 5, 6	35.N	46.E	10	W2	320.00	\$5.50	\$1,760.00	MEADOWLARK SEARCH, INC.
63	1, 2, 3, 4, 5, 6	35.N	46.E	11	S2NW4, NE4SW4, S2SW4	200.00	\$5.75	\$1,150.00	MEADOWLARK SEARCH, INC.
64	1, 2, 3, 4, 5, 6	35.N	46.E	12	SE4, S2SW4	240.00	\$6.00	\$1,440.00	MEADOWLARK SEARCH, INC.
65	1, 2, 3, 4, 5, 6	35.N	46.E	13	N2	320.00	\$6.50	\$2,080.00	HARVEY MINERALS, LP
66	1, 2, 3, 4, 5, 6, 8	35.N	46.E	14	NE4, W2SW4	240.00	\$6.50	\$1,560.00	HARVEY MINERALS, LP
67	1, 2, 3, 4, 5, 6	35.N	46.E	15	NW4, S2	480.00	\$6.50	\$3,120.00	HARVEY MINERALS, LP
68	1, 2, 3, 4, 5, 6	35.N	46.E	16	All	640.00	\$6.50	\$4,160.00	HARVEY MINERALS, LP
69	1, 2, 3, 4, 5, 6	35.N	46.E	17	S2	320.00	\$1.50	\$480.00	HARVEY MINERALS, LP
70	1, 2, 3, 4, 5, 6	35.N	46.E	18	Lots 1, 2, 3, 4, E2W2	306.88	\$1.50	\$460.32	HARVEY MINERALS, LP
71	1, 2, 3, 4, 5, 6, 8	35.N	46.E	19	Lots 1, 2, E2NW4, W2NE4	234.20	\$1.50	\$351.30	HARVEY MINERALS, LP
72	1, 2, 3, 4, 5, 6, 8	35.N	46.E	20	NW4	160.00	\$5.25	\$840.00	HARVEY MINERALS, LP
73	1, 2, 3, 4, 5, 6, 8	35.N	46.E	27	N2SE4, SW4	240.00	\$6.25	\$1,500.00	HARVEY MINERALS, LP
74	1, 2, 3, 4, 5, 6, 8	35.N	46.E	28	NW4, SE4, E2SW4	400.00	\$6.25	\$2,500.00	HARVEY MINERALS, LP
75	1, 2, 3, 4, 5, 6, 8	35.N	46.E	29	N2, SW4	480.00	\$6.25	\$3,000.00	HARVEY MINERALS, LP
76	1, 2, 3, 4, 5, 6, 8	35.N	46.E	30	Lots 3, 4, E2, E2SW4	475.28	\$1.50	\$712.92	HARVEY MINERALS, LP
77	1, 2, 3, 4, 5, 6	35.N	46.E	34	NW4	160.00	\$6.25	\$1,000.00	HARVEY MINERALS, LP
78	1, 2, 3, 4, 5, 6, 8	35.N	46.E	36	E2	320.00	\$6.50	\$2,080.00	HARVEY MINERALS, LP
79	1, 2, 3, 4, 5, 6	37.N	50.E	16	NW4, SW4NE4, S2	* 520.00	\$1.50	\$780.00	HARVEY MINERALS, LP
<b>Dawson</b>									
80	1, 2, 3, 4, 5, 6, 11	17.N	56.E	6	Lots 6, 7, E2SW4, Yellowstone Riverbed and related acreage	175.32	\$10.75	\$1,884.69	PETRO-HUNT LLC
81	1, 2, 3, 4, 5, 6	17.N	56.E	16	All	* 640.00	\$18.00	\$11,520.00	HARVEY MINERALS, LP
82	1, 2, 3, 4, 5, 6, 8	17.N	56.E	36	All	640.00	\$19.00	\$12,160.00	HARVEY MINERALS, LP
83	1, 2, 3, 4, 5, 6, 7	17.N	57.E	16	All	640.00	\$17.75	\$11,360.00	HARVEY MINERALS, LP
84	1, 2, 3, 4, 5, 6, 7	17.N	57.E	36	All	640.00	\$15.25	\$9,760.00	PETRO-HUNT LLC
85	1, 2, 3, 4, 5, 6, 10, 11, 12	18.N	57.E	16	Lots 1, 2, 3, 4, 5, NW4, N2NE4, SW4NE4, Yellowstone Riverbed and related acreage	* 640.00	\$15.25	\$9,760.00	PETRO-HUNT LLC
86	1, 2, 3, 4, 5, 6, 7	18.N	57.E	36	All	640.00	\$17.50	\$11,200.00	HARVEY MINERALS, LP
87	1, 2, 3, 4, 5, 6	20.N	56.E	24	E2E2, W2	* 480.00	\$1.50	\$720.00	HARVEY MINERALS, LP
<b>Hill</b>									
88	1, 2, 3, 4, 5, 6	33.N	12.E	7	Lots 1, 2, E2NW4, NE4	318.27	\$1.50	\$477.40	IOFINA NATURAL GAS, INC.
89	1, 2, 3, 4, 5, 6	33.N	12.E	9	W2	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.

Tract	Stip	Twp	Rge	Sec	Description		Acres	Bid \$/Acr	Total Price	Lessee
90	1, 2, 3, 4, 5, 6	33.N	12.E	15	NE4, SW4	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
91	1, 2, 3, 4, 5, 6	33.N	12.E	16	All	*	640.00	\$1.50	\$960.00	IOFINA NATURAL GAS, INC.
92	1, 2, 3, 4, 5, 6	34.N	11.E	1	SW4	*	160.00	\$4.25	\$680.00	IOFINA NATURAL GAS, INC.
93	1, 2, 3, 4, 5, 6	34.N	11.E	2	E2	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
94	1, 2, 3, 4, 5, 6	34.N	11.E	5	E2	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
95	1, 2, 3, 4, 5, 6	34.N	11.E	11	W2	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
96	1, 2, 3, 4, 5, 6	34.N	11.E	12	W2	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
97	1, 2, 3, 4, 5, 6	34.N	11.E	14	E2	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
98	1, 2, 3, 4, 5, 6	34.N	11.E	16	All		640.00	\$1.50	\$960.00	IOFINA NATURAL GAS, INC.
99	1, 2, 3, 4, 5, 6	34.N	11.E	18	SE4	*	160.00	\$3.50	\$560.00	IOFINA NATURAL GAS, INC.
100	1, 2, 3, 4, 5, 6	34.N	11.E	19	NE4	*	160.00	\$4.00	\$640.00	IOFINA NATURAL GAS, INC.
101	1, 2, 3, 4, 5, 6	34.N	11.E	20	W2	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
102	1, 2, 3, 4, 5, 6	34.N	11.E	29	E2	*	320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
103	1, 2, 3, 4, 5, 6	34.N	11.E	33	W2		320.00	\$1.50	\$480.00	IOFINA NATURAL GAS, INC.
104	1, 2, 3, 4, 5, 6	34.N	11.E	36	All		640.00	\$1.50	\$960.00	IOFINA NATURAL GAS, INC.

#### Lewis and Clark

105	1, 2, 3, 4, 5, 6	18.N	4.W	2	Lots 1, 2, 3, 4, S2N2, S2		647.96	\$1.75	\$1,133.93	HEMUS, LTD.
106	1, 2, 3, 4, 5, 6	18.N	4.W	4	Lots 1, 2, 3, 4, S2N2, S2		646.99	\$12.00	\$7,763.88	ZONE EXPLORATION, INC.
107	1, 2, 3, 4, 5, 6	18.N	4.W	6	Lots 1 thru 7, SE4NW4, S2NE4, SE4, E2SW4		610.56	\$1.75	\$1,068.48	HEMUS, LTD.
108	1, 2, 3, 4, 5, 6	18.N	4.W	10	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
109	1, 2, 3, 4, 5, 6	18.N	4.W	16	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
110	1, 2, 3, 4, 5, 6	18.N	4.W	18	Lots 1, 2, 3, 4, E2W2, E2		610.40	\$1.75	\$1,068.20	HEMUS, LTD.
111	1, 2, 3, 4, 5, 6	18.N	4.W	36	All	*	640.00	\$3.25	\$2,080.00	HEMUS, LTD.
112	1, 2, 3, 4, 5, 6	18.N	5.W	16	All	*	640.00	\$1.75	\$1,120.00	HEMUS, LTD.
113	1, 2, 3, 4, 5, 6	19.N	4.W	24	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
114	1, 2, 3, 4, 5, 6, 7	19.N	4.W	26	All	*	640.00	\$1.75	\$1,120.00	HEMUS, LTD.
115	1, 2, 3, 4, 5, 6	19.N	4.W	30	Lots 1, 2, 3, 4, E2NW4, NW4NE4, E2E2, NE4SW4		445.48	\$1.75	\$779.59	HEMUS, LTD.
116	1, 2, 3, 4, 5, 6	19.N	4.W	32	All		640.00	\$10.00	\$6,400.00	ZONE EXPLORATION, INC.
117	1, 2, 3, 4, 5, 6	19.N	4.W	36	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
118	1, 2, 3, 4, 5, 6	19.N	5.W	14	W2SW4		80.00	\$4.50	\$360.00	KERMIT D. RULON
119	1, 2, 3, 4, 5, 6	19.N	5.W	26	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.
120	1, 2, 3, 4, 5, 6	19.N	5.W	30	NE4	*	160.00	\$3.50	\$560.00	KERMIT D. RULON
121	1, 2, 3, 4, 5, 6	19.N	5.W	32	All		640.00	\$1.75	\$1,120.00	HEMUS, LTD.

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122	1, 2, 3, 4, 5, 6	19.N	5.W	36	All	640.00	\$6.00	\$3,840.00	TETON RESOURCES USA, LLC
123	1, 2, 3, 4, 5, 6	19.N	6.W	1	Lots 1, 2, S2N2	* 239.50	\$6.00	\$1,437.00	ZONE EXPLORATION, INC.
124	1, 2, 3, 4, 5, 6	19.N	6.W	2	S2NE4, W2SW4	* 160.00	\$1.75	\$280.00	HEMUS, LTD.
125	1, 2, 3, 4, 5, 6	19.N	6.W	36	N2, SE4	* 480.00	\$1.75	\$840.00	HEMUS, LTD.
126	1, 2, 3, 4, 5, 6, 13	20.N	6.W	24	NW4, N2NE4, SW4NE4, S2SE4	360.00	\$5.00	\$1,800.00	ZONE EXPLORATION, INC.
127	1, 2, 3, 4, 5, 6	20.N	6.W	26	NW4	* 160.00	\$1.75	\$280.00	HEMUS, LTD.
128	1, 2, 3, 4, 5, 6	20.N	6.W	27	S2SW4	80.00	\$1.75	\$140.00	HEMUS, LTD.
129	1, 2, 3, 4, 5, 6	20.N	6.W	34	N2NW4	80.00	\$1.75	\$140.00	HEMUS, LTD.
130	1, 2, 3, 4, 5, 6	20.N	6.W	35	N2N2	* 160.00	\$1.75	\$280.00	HEMUS, LTD.
131	1, 2, 3, 4, 5, 6	20.N	6.W	36	All	* 640.00	\$5.00	\$3,200.00	ZONE EXPLORATION, INC.
<b>Richland</b>									
132	1, 2, 3, 4, 5, 6, 7, 10, 11	19.N	58.E	16	Lots 1, 2, 3, 4, 5, E2, NE4SW4, S2SW4, Yellowstone Riverbed and related acreage	640.00	\$1.50	\$960.00	HARVEY MINERALS, LP
133	1, 2, 3, 4, 5, 6, 11, 13	19.N	58.E	30	SE4, Yellowstone Riverbed and related acreage	190.00	\$3.25	\$617.50	HARVEY MINERALS, LP
134	1, 2, 3, 4, 5, 6, 7	19.N	58.E	36	All	640.00	\$1.50	\$960.00	HARVEY MINERALS, LP
135	1, 2, 3, 4, 5, 6	20.N	57.E	16	All	* 0.00	\$0.00	\$0.00	TRACT WITHDRAWN
136	1, 2, 3, 4, 5, 6	20.N	57.E	36	All	640.00	\$1.50	\$960.00	HARVEY MINERALS, LP
<b>Rosebud</b>									
137	1, 2, 3, 4, 5, 6, 9	12.N	32.E	26	N2	320.00	\$83.00	\$26,560.00	RETAMCO OPERATING, INC.
138	1, 2, 3, 4, 5, 6, 7	12.N	32.E	36	All	640.00	\$31.00	\$19,840.00	RETAMCO OPERATING, INC.
139	1, 2, 3, 4, 5, 6, 7, 9	12.N	33.E	36	Lots 1 thru 24, N2	1244.52	\$8.00	\$9,956.16	RETAMCO OPERATING, INC.
140	1, 2, 3, 4, 5, 6, 7	6.S	42.E	16	Lots 1 thru 10, S2NE4, SE4	663.99	\$1.50	\$995.98	PINNACLE GAS RESOURCES, INC.
141	1, 2, 3, 4, 5, 6, 7, 10	6.S	42.E	21	SW4NE4, NW4SE4, NE4SW4	* 120.00	\$1.75	\$210.00	KERMIT D. RULON
142	1, 2, 3, 4, 5, 6, 7, 10, 13	6.S	42.E	22	W2SE4	* 80.00	\$1.50	\$120.00	PINNACLE GAS RESOURCES, INC.
143	1, 2, 3, 4, 5, 6, 7, 10	6.S	42.E	23	NE4SW4, S2SW4	* 120.00	\$1.50	\$180.00	PINNACLE GAS RESOURCES, INC.
144	1, 2, 3, 4, 5, 6, 7	6.S	42.E	36	Lots 1, 2, 3, 4, S2N2, S2	664.72	\$1.75	\$1,163.26	HARVEY MINERALS, LP
<b>Sheridan</b>									
145	1, 2, 3, 4, 5, 6	34.N	54.E	16	All	* 640.00	\$1.50	\$960.00	HARVEY MINERALS, LP
146	1, 2, 3, 4, 5, 6, 8	35.N	54.E	36	All	640.00	\$1.50	\$960.00	HARVEY MINERALS, LP
147	1, 2, 3, 4, 5, 6	36.N	52.E	29	SE4SW4	40.00	\$2.75	\$110.00	KERMIT D. RULON
148	1, 2, 3, 4, 5, 6, 8, 10	36.N	52.E	32	E2NW4, E2SE4, SW4SE4, NE4SW4, N2SE4SW4	260.00	\$1.50	\$390.00	HARVEY MINERALS, LP
149	1, 2, 3, 4, 5, 6, 7, 10	37.N	51.E	36	SE4NW4, NE4, S2	* 520.00	\$1.50	\$780.00	HARVEY MINERALS, LP
150	1, 2, 3, 4, 5, 6, 7	37.N	52.E	16	N2, N2SE4, SE4SE4, NE4SW4	480.00	\$1.50	\$720.00	HARVEY MINERALS, LP

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
<b>Stillwater</b>									
151	1, 2, 3, 4, 5, 6	1.S	19.E	16	All	640.00	\$1.50	\$960.00	RETAMCO OPERATING, INC.
152	1, 2, 3, 4, 5, 6	1.S	19.E	36	All	640.00	\$1.50	\$960.00	RETAMCO OPERATING, INC.
153	1, 2, 3, 4, 5, 6, 7	2.S	19.E	2	Lots 1, 2, 3, 4, S2N2, S2	640.60	\$1.50	\$960.90	RETAMCO OPERATING, INC.
154	1, 2, 3, 4, 5, 6, 7	2.S	19.E	16	All	640.00	\$1.50	\$960.00	RETAMCO OPERATING, INC.
155	1, 2, 3, 4, 5, 6, 10	2.S	19.E	36	All	640.00	\$1.50	\$960.00	RETAMCO OPERATING, INC.
<b>Teton</b>									
156	2, 3, 4, 5, 6, 15	22.N	8.W	1	SE4NW4, SW4NE4, SE4, NE4SW4, S2SW4	360.00	\$1.50	\$540.00	RANDALL L. WEEKS
157	2, 3, 4, 5, 6, 15	22.N	8.W	2	Lot 2, SW4NE4	73.45	\$1.50	\$110.18	RANDALL L. WEEKS
158	2, 3, 4, 5, 6, 15	22.N	8.W	3	SE4NW4	40.00	\$2.50	\$100.00	RANDALL L. WEEKS
159	2, 3, 4, 5, 6, 15	22.N	8.W	5	Lot 1, SE4NE4	76.04	\$1.50	\$114.06	RANDALL L. WEEKS
160	2, 3, 4, 5, 6, 15	23.N	8.W	34	SE4SE4	40.00	\$2.50	\$100.00	RANDALL L. WEEKS
161	2, 3, 4, 5, 6, 15	23.N	8.W	35	SE4NW4, SE4, NE4SW4, S2SW4	320.00	\$1.50	\$480.00	RANDALL L. WEEKS
162	2, 3, 4, 5, 6, 15	23.N	8.W	36	All	640.00	\$1.50	\$960.00	RANDALL L. WEEKS
<b>Toole</b>									
163	1, 2, 3, 4, 5, 6	33.N	4.W	16	All	* 640.00	\$1.50	\$960.00	KEESUN CORP.
164	1, 2, 3, 4, 5, 6	33.N	4.W	27	SW4	* 160.00	\$1.50	\$240.00	KEESUN CORP.
165	1, 2, 3, 4, 5, 6	33.N	4.W	28	SE4SE4	* 40.00	\$2.50	\$100.00	KEESUN CORP.
166	1, 2, 3, 4, 5, 6	33.N	4.W	33	NE4NE4	* 40.00	\$2.50	\$100.00	KEESUN CORP.
167	1, 2, 3, 4, 5, 6, 16	36.N	3.W	16	All	640.00	\$50.00	\$32,000.00	TOMMY C. CRAIGHEAD
<b>Wibaux</b>									
168	1, 2, 3, 4, 5, 6, 7	17.N	58.E	16	All	640.00	\$15.25	\$9,760.00	PETRO-HUNT LLC
169	1, 2, 3, 4, 5, 6	17.N	58.E	36	All	640.00	\$17.75	\$11,360.00	PETRO-HUNT LLC
170	1, 2, 3, 4, 5, 6	17.N	59.E	12	SW4SE4, SE4SW4	80.00	\$19.00	\$1,520.00	HARVEY MINERALS, LP
171	1, 2, 3, 4, 5, 6	17.N	59.E	16	All	640.00	\$18.00	\$11,520.00	HARVEY MINERALS, LP
172	1, 2, 3, 4, 5, 6, 8	17.N	59.E	36	All	640.00	\$18.00	\$11,520.00	PETRO-HUNT LLC
173	1, 2, 3, 4, 5, 6, 8	17.N	60.E	8	SE4	160.00	\$17.75	\$2,840.00	HARVEY MINERALS, LP
174	1, 2, 3, 4, 5, 6	17.N	60.E	16	All	640.00	\$18.00	\$11,520.00	HARVEY MINERALS, LP
175	1, 2, 3, 4, 5, 6, 10, 11, 12	18.N	57.E	1	Lots 1 thru 9, S2NE4, SE4SW4, SE4, Yellowstone Riverbed and related acreage	664.00	\$17.75	\$11,786.00	PETRO-HUNT LLC
176	1, 2, 3, 4, 5, 6, 7	18.N	58.E	16	All	640.00	\$18.00	\$11,520.00	PETRO-HUNT LLC
177	1, 2, 3, 4, 5, 6, 7	18.N	58.E	22	S2	320.00	\$18.25	\$5,840.00	HARVEY MINERALS, LP
178	1, 2, 3, 4, 5, 6	18.N	59.E	1	Lots 1, 2, 3, 4, S2N2, S2	649.88	\$18.00	\$11,697.84	HARVEY MINERALS, LP
179	1, 2, 3, 4, 5, 6	18.N	59.E	4	Lots 1, 2, S2NE4	156.74	\$18.00	\$2,821.32	PETRO-HUNT LLC

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
180	1, 2, 3, 4, 5, 6	18.N	59.E	16	All	640.00	\$18.00	\$11,520.00	HARVEY MINERALS, LP
181	1, 2, 3, 4, 5, 6	18.N	59.E	18	Lots 3, 4, E2SW4, SE4	314.64	\$17.75	\$5,584.86	PETRO-HUNT LLC
182	1, 2, 3, 4, 5, 6, 8	18.N	59.E	28	N2	320.00	\$18.00	\$5,760.00	HARVEY MINERALS, LP
183	1, 2, 3, 4, 5, 6	18.N	59.E	36	All	640.00	\$18.00	\$11,520.00	HARVEY MINERALS, LP

### *Summary by Lessor*

*Dept of Natural Resources & Conservation*

76351.03

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\* Part of all of tract is not state-owned surface

### **Oil and Gas Lease Sale Summary**

#### **Lease Sale Totals**

<b>Tracts</b>	183
<b>Acres</b>	76,351.03
<b>Total Bid Revenue</b>	\$464,335.99
<b>Avg Bid Per Acre</b>	\$6.08



## Stipulations

1. Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
2. Prior to the drilling of any well, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.

3. The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
4. The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
5. The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
6. If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
7. Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
8. The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
9. Active sage grouse lek(s) have been identified on or adjacent to this tract. No activities shall occur on the tract until the proposed action has been approved in writing by the Director of the Department. If surface activity is proposed on the tract, the department will consult with the Director of the Department of Fish, Wildlife and Parks for his or her comments, concerns and recommendations. Additional mitigation measures may be required, including no-surface-occupancy buffers and/or timing restrictions, which may encompass part or all of the tract.
10. Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/4 mile of the mean high water mark of a navigable river, lake or reservoir, including direct tributary streams of navigable waterways, on or adjacent to this tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.

## Stipulations

11. This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
12. If the lessee completes a successful oil and/or gas well, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department. If necessary, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which title is disputed. The lessee shall name all potential royalty claimants as defendants.
13. Due to existing surface uses (such as center pivots, wheel lines, etc.) development on this tract may be restricted.
14. This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

15. This lease is located within the Rocky Mountain Front area established under federal legislation removing mineral leasing and development on federal fee title lands, and federal minerals and has been identified as environmentally sensitive. The Rocky Mountain Front area is a crucial fish or wildlife area or corridor; has FWP owned surface rights; has an existing or is in the process of having conservation easements established and has important recreational value to the citizens of Montana. Therefore, except as otherwise provided below, the lessee shall not conduct any surface operations on the lease premises. If the lessee determines that surface operation on the lease premises may be required, the lessee shall submit a proposed Operating Plan or Amendment to an existing Operating Plan to the State Board of Land Commissioners and notify the Director of Fish, Wildlife and Parks describing in detail the proposed operations. No surface activities shall occur on the lease premises unless and until the Operating Plan or Amendment is approved by the Board. In determining whether to approve the proposed Operating Plan or Amendment, the following provisions shall apply:

- 1) If the lessee proposes an activity that does not entail any significant surface disturbance (not in excess of 1 well pad/640 acres), the Board may approve the same after completion of the appropriate environmental review in accordance with the Montana Environmental Policy Act (MEPA). As part of the MEPA process, DNRC will provide for an on-the-ground consultation with FWP, and an opportunity for public comment on the proposed activity. Public involvement in the environmental review process shall be actively solicited by the preparer of the environmental review document and shall include, at minimum, adequately noticed public meetings in three major daily publications including Missoula, Great Falls and Helena; legal notices to those non-daily papers in the affected counties, and detailed notification of landowners who own the surface rights, or directly adjacent rights, who would be impacted by development.

## Stipulations

- 2) Before the Board approves any proposed activity on the lease premises that entails a significant surface disturbance (in excess of 1 well pad/640 acres), an environmental impact statement (EIS) shall be completed in accordance with MEPA. The EIS shall analyze the potential impacts of alternative and future potential levels of oil and gas development and extraction on an ecosystem scale as the ecosystem is defined by the "Limits of Acceptable Change - Bob Marshall Wilderness Complex" adopted by the Montana Department of Fish, Wildlife and Parks in December 1991, and any successor thereto. The analysis shall consider all relevant information, which may include, but is not limited to, existing environmental reviews and management plans, and new data concerning climate change, private lands conservation efforts, and fish and wildlife distribution and migration patterns. Public involvement in the environmental review process shall be actively solicited by the preparer of the environmental review document and shall include, at minimum, adequately noticed public meetings in at least three communities including Great Falls and Helena.
  - 3) The proposed surface activity shall adhere to the "Interagency Rocky Mountain Front, Wildlife Monitoring/Evaluation Program, Management Guidelines for Selected Species" adopted by the Montana Department of Fish, Wildlife and Parks in September 1987, or any successor guidelines thereto.
  - 4) The Board may refuse to approve any proposed surface operations if it determines that they do not constitute the best use of trust resources or are not in the best interest of the State of Montana.
16. This tract is located within the Kevin-Sunburst oil and gas field area and is adjacent to a portion of the Kevin Rim ACEC. The Department will solicit input from the Montana Department of Fish, Wildlife and Parks for any new well proposals.